



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

February 19, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT
COMPROMISE OFFER OF SETTLEMENT
(SUPERVISORIAL DISTRICTS 1 AND 2)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director) or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	LAC+USC – 4675225	\$10,000
(2)	Account Number	LAC+USC – Various	\$ 8,000
(3)	Account Number	LAC+USC – Various	\$ 7,200
(4)	Account Number	H/UCLA – 7850315	\$ 6,500

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offers of settlement for patient accounts (1) – (4) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department will be able to receive under the legal settlement involved in these cases.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$31,700.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 8, 2002 the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include, the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

Honorable Board of Supervisors
February 19, 2008
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CONCLUSION

When approved, DHS requires three signed copies of the Board's action.
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a stylized flourish.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH
SAS:AT:bjs

Attachments (4)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

021908_DHS_Compromise Offers

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: February 19, 2008

Total Charges	\$302,498	Account Number	4675225
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$302,498	Date of Service	8/8/06-9/16/06
Compromise Amount Offered	\$10,000	% Of Charges	3%
Amount to be Written Off	\$292,498	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient charges of \$302,498 for medical services rendered. The patient was denied Medi-Cal and had qualified for ATP with liability of \$1,586. The patient's third party liability (TPL) claim settled for \$30,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees*	\$10,000	\$10,000	33.33%
Lawyer's Cost			
LAC+USC Medical Center	\$302,498	\$10,000	33.33%
Other Lien Holders			
Patient		\$10,000	33.33%
Total		\$30,000	100%

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: February 19, 2008

Total Charges	\$34,278	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$34,278	Date of Service	Various
Compromise Amount Offered	\$8,000	% Of Charges	23%
Amount to be Written Off	\$26,278	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$34,278 for medical services rendered. The patient obtained an attorney and requested to be billed for the full charges. The patient's third party liability (TPL) claim settled for \$20,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,000	\$4,000	20%
Lawyer's Cost	\$2,322	\$2,322	12%
LAC+USC Medical Center*	\$34,278	\$8,000	40%
Other Lien Holders*	\$4,938	\$1,678	8%
Patient		\$4,000	20%
Total		\$20,000	100%

* Lien holders are receiving 48% of the settlement (40% to LAC+USC Medical Center and 8% to others).

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: February 19, 2008

Total Charges	\$106,732	Account Number	5066093 & 5158648
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$106,732	Date of Service	Various
Compromise Amount Offered	\$7,200	% Of Charges	7%
Amount to be Written Off	\$99,532	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was a passenger in an automobile versus automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$106,732 for medical services rendered. The patient was denied Medi-Cal and did not apply for ATP. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees*	\$10,000	\$10,000	40%
Lawyer's Cost **	\$1,200	\$600	2%
LAC+USC Medical Center	\$106,732	\$7,200	29%
Other Lien Holders			
Patient		\$7,200	29%
Total		\$25,000	100%

* The attorney's retainer agreement specified a fee of 40%.

** The attorney has agreed to reduce his cost from \$1,200 to \$600.

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4
DATE: February 19, 2008

Total Charges	\$44,913	Account Number	7850315
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$44,913	Date of Service	9/03/06-9/07/06
Compromise Amount Offered	\$6,500	% Of Charges	14%
Amount to be Written Off	\$38,413	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile versus cyclist accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient charges of \$44,913 for medical services rendered. The patient was uncooperative in applying for Medi-Cal and thus, was not eligible for ATP. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees*	\$5,000	\$3,450	23%
Lawyer's Cost*	\$54		
H/UCLA Medical Center	\$44,913	\$6,500	43.33%
Other Lien Holders	\$350	\$50	.33%
Patient		\$5,000	33.33%
Total		\$15,000	100%

* The patient's attorney has agreed to waive his cost and reduce his fee from \$5,000 or 33% to \$3,450 or 23%.

Based on the information provided, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet her obligation to H/UCLA Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.